GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

STARRED QUESTION NO:110
ANSWERED ON:07.12.2015
FDI Policy
Adsul Shri Anandrao ;P. Shri Nagarajan

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government has reviewed/amended or proposes to review/ amend the Foreign Direct Investment (FDI) policy and raise FDI limits in different sectors;

(b) if so, the details thereof along with the present FDI limit, sector-wise and the objectives behind this move;

(c) whether investors are skeptical about commitment to carry forward the reform process and if so, the reaction of the Government thereto;

(d) the extent to which the FDI flow increased during the last six months; and

(e) the steps taken/being taken by the Government to prevent violation of FDI rule's and money laundering in the country?

Answer

???????? ??? ?????? ???????????? (????????? ??????)(??????? ??????? ???????)
THE MINISTER OF STATE (INDEPENDENT CHARGE)
OF THE MINISTRY OF COMMERCE & INDUSTRY
(SHRIMATI NIRMALA SITHARAMAN)

(a) to (e): A Statement is laid on the Table of the House.

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STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 110 FOR ANSWER ON 7TH DECEMBER, 2015 REGARDING FDI POLICY

(a) to (c): Government has put in place an investor-friendly policy on FDI, under which FDI, up to 100% is permitted, under the automatic route, in most sectors/activities. Review of FDI policy is an ongoing process and significant changes are made in the FDI policy regime, from time to time, to ensure that India remains an attractive investment destination. Changes are made in the policy after having intensive consultations with stakeholders including concerned Ministries/ Departments, apex industry chambers and other organizations after taking approval of the competent authority. Detailed FDI policy on various sectors indicating therein sector-wise FDI limits is provided in 'Consolidated FDI Policy Circular of 2015, as amended from time to time, which is available at the website of Department of Industrial Policy and Promotion at www.dipp.nic.in .

(d): Data of FDI inflows for the month up to September, 2015 has been compiled. During the last six months (April to September) the total FDI inflow has increased from US$ 20.64 billion (April-September, 2014) to US$ 24.41 billion (April-September, 2015).

(e): Enforcement Directorate conducts investigations under the Foreign Exchange Management Act, 1999 (FEMA) for possible contravention of FDI norms/ policy by various entities as and when any credible information is received in this regard. Based on the outcome of the investigation, appropriate action under the provision of FEMA is taken in such cases. Further, action under Prevention of Money Laundering Act, 2002 (PMLA) is initiated upon registration of a case by other Law Enforcement Agencies under any of the offences mentioned in the schedule appended to PMLA.

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